GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:190
ANSWERED ON:22.02.2001
GAS BASED POWER PROJECTS IN KARNATAKA BY NTPC
A. VENKATESH NAIK

Will the Minister of POWER be pleased to state:

(a) whether the Government are aware that National Thermal Power Corporation hasdecided against going ahead with its plan to set up a 2000 MW gas-based power project in Karnataka;

(b) if so, the reasons therefor; and

(c) the steps being taken by the Government to help the Karnataka Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) & (b) : The feasibility of setting up a 2000 MW gas based power project atMangalore in Karnataka has been examined in the Ministry of Power, Government of India. The recent hike in international crude oil price has a caused steep increase in the LNG prices as LNG price is generally indexed to crude oil prices.At the current LNGprice, the cost of generation is expected to be over Rs.4 per unit, which will make the power unaffordable from such power plants.

(c) : National Thermal Power Corporation (NTPC) has been advised to discussthe rate of LNG which is likely to be obtained over a period of 20-25 years based on the long term LNG price with the Ministry of Petroleum and Natural Gas and M/.s PetronetLNG. Thereafter, NTPC would work out the revised tariff and discuss Power PurchaseAgreement with the beneficiary States. Depending on the Techno-economic feasibility of the project, NTPC will initiate further action.